

Grantee: Chandler, AZ

Grant: B-11-MN-04-0502

April 1, 2012 thru June 30, 2012 Performance Report



Grant Number:
B-11-MN-04-0502

Obligation Date:

Award Date:

Grantee Name:
Chandler, AZ

Contract End Date:
03/09/2014

Review by HUD:
Reviewed and Approved

Grant Amount:
\$1,332,011.00

Grant Status:
Active

QPR Contact:
Janice Tanzer

Estimated PI/RL Funds:
\$0.00

Total Budget:
\$1,332,011.00

Disasters:

Declaration Number

No Disasters Found

Narratives

Summary of Distribution and Uses of NSP Funds:

The City of Chandler proposes to utilize NSP 3 funds to provide a multi-faceted approach to reducing foreclosures within the greatest need census tracts of the City of Chandler by providing a variety of NSP 3 activities: down payment assistance, acquisition/rehabilitation for first time homebuyers (Chandler Community Land Trust), permanent affordable rental unit development and acquisition/demolition and reduction of blight.

The City of Chandler proposes to allocate \$419,643 in NSP 3 funds to develop three (3) permanent affordable rental units. The housing units will be targeted and rented to income-qualified (below 50% AMI) working poor, formerly homeless families and low-income Veteran families. All affordable rental units will be located in the 422209 census tract (NSP3 Need Score 18).

The City of Chandler proposes to allocate \$200,000 in NSP 3 funds to provide down payment assistance to 20 first time homebuyers whose annual household income does not exceed 120% AMI. Up to \$10,000 in assistance will be available for qualified first time homebuyers. It is estimated that 15 first time homebuyers will have a median income between 51%-80% and would also be eligible for Individual Development Account (IDA) match funds up to \$15,000. It is estimated that five (5) first time homebuyers will have a median income of 81%-120%. A total of 16 homebuyers will receive down payment assistance to purchase vacant and foreclosed homes in the 523002 census tract (NSP 3 Need Score 19) and 4 homebuyers will receive down payment assistance to purchase vacant and foreclosed homes in the 422209 census tract (NSP 3 Need Score 18).

The City of Chandler proposes to allocate \$492,447 in NSP 3 funds to the Chandler Community Land Trust which will acquire, rehabilitate and resell seven (7) vacant, foreclosed homes to qualified first time homebuyers. The Land Trust creates permanently affordable housing stock in the City of Chandler as it resells just the structure to homebuyers and the land remains in the land trust. It is estimated that six (6) homes will be purchased, rehabilitated and resold to first time homebuyers whose median area income is at or below 80%. One home will be purchased, rehabilitated and resold to a first time homebuyers whose annual household income is at or below 50% AMI. All seven Land Trust homes are proposed to be purchased in the 523002 census tract.

Finally, the City of Chandler proposes to allocate \$150,000 to establish the Chandler Land Bank Program. Chandler proposes to purchase approximately two vacant, foreclosed, blighted multi-family structures (total of 4 units), demolish the blighted structures and hold the property in an established land bank for purposes of redevelopment. These structures will be located in the 523002 census tract.

How Fund Use Addresses Market Conditions:

The City has developed a strategic approach in targeting areas where NSP 3 activities will have a larger impact on more residents and where service providers can provide an effective program that will meet NSP 3 expenditure deadlines. Chandler selected two census tracts to target NSP 3 activities which had NSP 3 Need Scores of 18 and 19. The creation of NSP 3 activities and layering them within target areas of other Chandler programs and resources, such as HOME and NSP 1 activities, Chandler can make a visual and positive impact to reducing the number of vacant and foreclosed properties from the market. This will help to stabilize the targeted neighborhoods, allow opportunities for first time homebuyers to purchase homes without the risk of obtaining financing by a subprime mortgage related loan and remove slum and blighted conditions caused by vacant foreclosures.

Ensuring Continued Affordability:

The City of Chandler will ensure continued affordability for NSP 3-assisted housing by adopting the HOME program standards at 24 CFR 92.252 (a), (c), (e), and (f) for rental units and 92.254 for homeownership units.

The affordability period for NSP 3-assisted acquisition or acquisition/rehab of rental and homeownership units will, at a minimum, meet the HOME standard:

Per-unit NSP 3 Assistance	Min. Affordability Period
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up to \$15,000	5 years
\$15,000-\$40,000	10 years
above \$40,000	5 years

Definition of Blighted Structure:

Chapter 30 of the Chandler City Code defines blight as;
Blight or blighted. Unsightly conditions including [including -- not limited to] accumulation of debris; fences characterized by holes, breaks, rot, crumbling, cracking, peeling or rusting; landscaping that is dead, characterized by uncontrolled growth, lack of maintenance, or is damaged; any other similar conditions of disrepair and deterioration; and the exterior visible use or display of tarps, plastic sheeting, or other similar materials as flexible or inflexible screening, fencing, or wall covering upon a residential lot; regardless of the condition of other properties in the neighborhood.

Definition of Affordable Rents:

* Apartment/Walk-up: 65% of current HOME rental limit: Currently these rents are- 2 bedroom-\$480/mo, 3 bedroom-\$520/mo and 4 bedroom-\$555/mo. These rents are 35% below the low HOME Rental limit.
* Townhouse/Row House & Semi-detached duplex: 70% of the current low HOME rental limit: 2 bedroom-\$550/mo, 3 bedroom-\$600/mo, and 4 bedroom-\$645.00/mo. These limits are 30% below the low HOME Rental limit.
* Detached house: 2 bedroom-75% of current low HOME rental limits: \$620/mo, 3 bedroom-\$670/mo and 4 bedroom-\$715/mo. These rental limits are 25% below the HOME rental limit.
The City of Chandler Section 8 Program Rent Limits effective October, 2010 indicates a 2 bedroom FMR is \$890/mo, for a 3 bedroom the FMR is \$1,227/mo and for a 4 bedroom is \$1,437/mo. Proposed rental rates are substantially lower.
In addition, ARM proposes to pay the water, sewer and refuse and if applicable, the HOA fee.

Housing Rehabilitation/New Construction Standards:

All rehabilitation under the NSP 3 program will meet the HUD CDBG Rehabilitation Standards (25 CFR 570.208(b) (1-2)) and local City of Chandler building codes. All rehabilitation must meet a minimum standard that public health, safety and welfare are maintained or enhanced as work is performed. All work must be completed in a professional workmanlike manner in compliance with the workmanship standards and licensing requirements of the Arizona Registrar of Contractors as established by Arizona Statute. All units rehabilitated with NSP 3 funding will meet at a minimum Housing Quality Standards and include Residential Energy Standards.

Vicinity Hiring:

Although none of the proposed projects anticipate hiring of new staff, the City of Chandler will require all subrecipient rehabilitation bids, contracting, or new hiring be accomplished through vicinity hiring practices as required by NSP 3. Proposed subrecipients included procedures for vicinity hiring in their NSP 3 funding applications which included preference for rehabilitation contracts that hire low-income Chandler residents and/or contract with Chandler businesses who have low-income employees.

Procedures for Preferences for Affordable Rental Dev.:

The City of Chandler announced a preference for permanent affordable rental development projects during the Request for Proposal process stating that applications with viable proposals to increase permanent affordable rental in Chandler will receive additional preference scoring during the review process. The City received one (1) application for permanent affordable rental development and proposes to fully fund this activity.

Grantee Contact Information:

City of Chandler, Jennifer Morrison, Neighborhood Resources Director, 235 S. Arizona Ave. MS 600, Chandler, AZ 85225
480-782-4347, Fax 480-782-4350, jennifer.morrison@chandleraz.gov, www.chandleraz.gov

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$1,332,011.00
Total Budget	\$0.00	\$1,332,011.00
Total Obligated	\$1,332,011.00	\$1,332,011.00
Total Funds Drawdown	\$121,172.62	\$121,172.62
Program Funds Drawdown	\$121,172.62	\$121,172.62
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$3,716.87	\$13,092.69
Match Contributed	\$0.00	\$0.00



Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$199,801.65	\$0.00
Limit on Admin/Planning	\$133,201.10	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$133,201.10	\$69,921.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$333,002.75	\$419,643.00

Overall Progress Narrative:

HUD approved the City's Action Plan for NSP 3 in March of 2011. In June of 2011, City Council approved subrecipient agreements for Newtown and ARM's activities. Following the approval of the agreements, staff was made aware of HUD's guidance regarding defining developers, subrecipients and contractors and learned that the Subrecipient Agreement with Newtown for NSP 1 and NSP 3 was required to be split into separate agreements based on activity. Through the balance of 2011-2012, staff worked with Newtown and a technical assistance provider funded by HUD to develop five separate agreements to appropriately contract with Newtown for their NSP activities. All Newtown NSP 1 funded agreements have been revised and approved and the Home Buyer-Down Payment Assistance Program has been approved for NSP 3. Staff anticipates that Newtown's Developer Agreement for NSP 3 will be approved by mid-August 2012.

As Newtown's Home Buyer Program Subrecipient Agreement has just recently been approved and their Developer Agreement has yet to be approved, Newtown has not yet begun to expend funds for these activities although they have continued to build a pipeline of first time homebuyers who are waiting for funds to become available. ARM of Save the Family have purchased one property which they will be rehabilitating soon. In addition, ARM continues to look for properties to purchase.

The funds expended for Administration were drawn in July 2012.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
AcqReh2011, Acq/Rehab	\$121,172.62	\$912,090.00	\$121,172.62
Admin2011, NSP3 Administration	\$0.00	\$69,921.00	\$0.00
FM1, Financing Mechanisms	\$0.00	\$200,000.00	\$0.00
LandBank2011, Land Banking	\$0.00	\$150,000.00	\$0.00



Activities

Grantee Activity Number: 2011 NSP3 Acq/Rehab CLT

Activity Title: Newtown CLT LMMH

Activity Category:

Acquisition - general

Project Number:

AcqReh2011

Projected Start Date:

05/01/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LMMI

Activity Status:

Planned

Project Title:

Acq/Rehab

Projected End Date:

06/30/2013

Completed Activity Actual End Date:

Responsible Organization:

City of Chandler

Overall

Total Projected Budget from All Sources

Apr 1 thru Jun 30, 2012

N/A

To Date

\$492,447.00

Total Budget

\$0.00

\$492,447.00

Total Obligated

\$492,447.00

\$492,447.00

Total Funds Drawdown

\$0.00

\$0.00

Program Funds Drawdown

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$0.00

\$0.00

City of Chandler

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Activity Description:

The City of Chandler, through a partnership with Newtown Community Development Corporation, will purchase seven vacant, foreclosed homes to be included in the Chandler Community Land Trust. The Land Trust purchases homes, rehabilitates them and resells the structure only to income qualified first time homebuyers. The land is retained in the land trust. Chandler proposes that six first time homebuyers will have annual household incomes at 80% or below AMI. One first time homebuyer will have an annual household income at 50% or below AMI.

Location Description:

All seven vacant and foreclosed homes to be purchased, rehabilitated and resold to eligible first time homebuyers will be located in the 523002 census tract, one of Chandler's NSP 3 targeted neighborhoods. This census tract has a NSP 3 Need Score of 19.

Activity Progress Narrative:

The Developer Agreement is nearing approval and should be signed by early August. Newtown has established a pipeline of clients to utilize this funding. However, a tightening of the REO market may create challenges to implementation. Staff anticipates an Action Plan amendment to add eligible census tracts.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number:	2011 NSP3 Acq/Rehab Rental
Activity Title:	ARM Acq/Rehab LH25

Activity Category:

Acquisition - general

Project Number:

AcqReh2011

Projected Start Date:

05/01/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Planned

Project Title:

Acq/Rehab

Projected End Date:

06/30/2013

Completed Activity Actual End Date:
Responsible Organization:

City of Chandler

Overall
Total Projected Budget from All Sources
Apr 1 thru Jun 30, 2012

N/A

To Date

\$419,643.00

Total Budget

\$0.00

\$419,643.00

Total Obligated

\$419,643.00

\$419,643.00

Total Funds Drawdown

\$121,172.62

\$121,172.62

Program Funds Drawdown

\$121,172.62

\$121,172.62

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$0.00

\$0.00

City of Chandler

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Activity Description:

The City of Chandler proposes to award funds to Affordable Rental Movement of the Save the Family Organization, who will purchase three vacant and foreclosed multi-family units (single-family detached) for the use of permanent affordable rental development. Housing rental units will be rented to income qualified (at or below 50% AMI) working poor, formerly homeless families and low income Veteran families.

Location Description:

All three vacant, foreclosed multi family units to be purchased, rehabilitated and rented to low income (50% AMI or below) families and will be located in one of the City's NSP 3 targeted census tracts 422209. This targeted census tract has an NSP 3 Need Score of 18.

Activity Progress Narrative:

ARM has purchased one property and is preparing for rehabilitation.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	1	1/3
# of Parcels acquired voluntarily	1	1/3



	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/3
# of Multifamily Units	0	0/3

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number:	2011 NSP3 COC Admin
Activity Title:	COC NSP 3 Administration

Activity Category:

Administration

Activity Status:

Planned

Project Number:

Admin2011

Project Title:

NSP3 Administration

Projected Start Date:

05/01/2011

Projected End Date:

06/30/2013

Benefit Type:

()

Completed Activity Actual End Date:**National Objective:**

N/A

Responsible Organization:

City of Chandler

Overall**Apr 1 thru Jun 30, 2012****To Date****Total Projected Budget from All Sources**

N/A

\$69,921.00

Total Budget

\$0.00

\$69,921.00

Total Obligated

\$69,921.00

\$69,921.00

Total Funds Drawdown

\$0.00

\$0.00

Program Funds Drawdown

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$3,716.87

\$13,092.69

City of Chandler

\$3,716.87

\$13,092.69

Match Contributed

\$0.00

\$0.00

Activity Description:

The City of Chandler will utilize \$69,921 or 5% of its total NSP 3 allocation for administration of Chandler's NSP 3 programs. Funding will be utilized for portions of staff salaries for implementation of the City's NSP 3 activities and for oversight of the subrecipient NSP 3 activities.

Location Description:

The City of Chandler proposes to administer all NSP 3 activities in the two specified targeted census tracts 523002 and 422209.

Activity Progress Narrative:

A great deal of staff time is being expended to revise the Subrecipient Agreement and write the Developer Agreement. Staff is working closely with Christopher Plummer, the HUD TA provider. Funds expended were drawn in July 2012.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number:	2011 NSP3 COC Land Bank
Activity Title:	COC LandBank LMMH

Activity Category:

Land Banking - Acquisition (NSP Only)

Project Number:

LandBank2011

Projected Start Date:

07/01/2011

Benefit Type:

Area ()

National Objective:

NSP Only - LMMI

Activity Status:

Planned

Project Title:

Land Banking

Projected End Date:

06/30/2013

Completed Activity Actual End Date:
Responsible Organization:

City of Chandler

Overall
Total Projected Budget from All Sources
Apr 1 thru Jun 30, 2012

N/A

To Date

\$150,000.00

Total Budget

\$0.00

\$150,000.00

Total Obligated

\$150,000.00

\$150,000.00

Total Funds Drawdown

\$0.00

\$0.00

Program Funds Drawdown

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Activity Description:

The City of Chandler proposes to purchase approximately two vacant, foreclosed, blighted multi-family structures (total of 4 units), demolish the blighted structures and hold the property in an established land bank for purposes of redevelopment.

Location Description:

The two vacant, foreclosed, blighted multi-family structures will be located in the NSP 3 targeted census tract of 523002. This census tract has a NSP 3 Need Score of 19.

Activity Progress Narrative:
Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/2
	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/4

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number: 2011 NSP3 Newtown DPA

Activity Title: Newtown DPA LMMH

Activity Category:

Homeownership Assistance to low- and moderate-income

Project Number:

FM1

Projected Start Date:

05/02/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LMMI

Activity Status:

Planned

Project Title:

Financing Mechanisms

Projected End Date:

06/30/2013

Completed Activity Actual End Date:

Responsible Organization:

City of Chandler

Overall

Total Projected Budget from All Sources

Apr 1 thru Jun 30, 2012

N/A

To Date

\$200,000.00

Total Budget

\$0.00

\$200,000.00

Total Obligated

\$200,000.00

\$200,000.00

Total Funds Drawdown

\$0.00

\$0.00

Program Funds Drawdown

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$0.00

\$0.00

City of Chandler

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Activity Description:

The City of Chandler, in partnership with Newtown Community Development Corporation will provide up to 20 first time homebuyers with up to \$10,000 in down payment assistance to purchase a vacant, foreclosed home in either of Chandler's two NSP 3 targeted census tracts.

Location Description:

Twenty (20) first time homebuyers will receive assistance to purchase vacant foreclosed homes in both of the City's NSP 3 targeted areas, census tracts 523002 and 422209. Sixteen homeowners will be targeted in Census tract 523002 which has an NSP 3 Need Score of 19. Four homeowners will be targeted in Census tract 422209 which has an NSP 3 Need Score of 18.

Activity Progress Narrative:

We have revised the subrecipient agreement with Newtown to separate the Down Payment program from the Community Land Trust and it has been approved. Newtown has been establishing a pipeline of clients for this funding and implementation should begin in the summer of 2012.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	
